



# INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

## Russia: Meat Prices Continue to Rise

Trade policy actions taken by the Russian Government earlier this year have resulted in higher prices for beef, pork and poultry. Quotas for beef and pork went into effect on April 1 and poultry on May 1. The price increase is strongest for poultry items. According to the Institute of Agricultural Marketing, August 2003 prices for beef rose 17 percent, pork increased 15 percent and poultry was 46 percent higher when compared to April 2003.

Poultry prices measured in August were at a record high for the previous ten months. Domestic producers have been unable to fill the gap between supply and demand. Imported boneless frozen breasts had the greatest price increase, from 55.47 rubles/kg in January to 101.00 rubles/kg in August. The price rise for imported chicken leg quarters was less significant, from 34.69 to 44.81 rubles/kg for the same period. Traditionally, the U.S. has primarily supplied leg quarters to Russia while Brazil supplied the whole bird market. The new quota allocations give the US about 74 percent of the market share, the EU about 19 percent, Brazil 4 percent, China less than 1 percent with the balance allocated to any other country that did not receive a quota allocation.

The UK, Belgium and China were the major suppliers of MDM. In 2003, importers are required to import a 75/25 ratio of poultry meat to MDM.

### Market Share of Main MDM Exporters to Russian (% volume)

	2000	2001	2002	Jan-May 2003
Belgium	5.2	8.9	12.9	6.8
China	.6	5.3	15.8	29.4
UK	16.3	2.7	16.4	15.8
US	35.1	42.1	5.4	2.1

Source: World Trade Atlas

Beef and pork prices did not rise as rapidly as those for poultry for several reasons. First, the share of imports in total domestic consumption is lower than for poultry, reducing the effect of trade restrictions. Second, much of Russia's beef and a smaller portion of pork imports are sourced from CIS countries, which are outside the TRQ's grasp.

### Russia Average Meat and Poultry Prices.

	Beef	Pork	Poultry
November 2002	52.00	50.00	40.00
December 2002	52.00	51.00	41.00
January 2003	51.00	49.50	40.50
February 2003	50.00	51.50	39.00
March 2003	47.00	54.00	35.00
April 2003	46.00	47.00	39.00
May 2003	50.70	54.70	45.30
June 2003	50.00	53.60	46.00
July 2003	54.00	53.00	49.00
August 2003	54.00	54.00	57.00

Source: APK-Market – Institute of Agricultural Marketing

Data in rubles per kilogram

## Moscow Wholesale Poultry Frozen Meat Prices. Jan – Aug 2003

Date	Exchange rate ruble/\$	Domestic chicken		Imported chicken	
		whole carcass	leg qtr	whole carcass	leg qtr
1/30/2003	31.80	42.81	47.05	38.55	34.69
2/28/2003	31.58	42.32	41.16	40.81	35.04
3/30/2003	31.38	41.68	42.27	42.15	34.92
4/30/2003	31.10	41.77	44.50	41.90	34.42
5/30/2003	30.67	43.93	45.00	43.76	39.55
6/30/2003	30.35	49.07	49.50	48.27	39.77
7/30/2003	30.25	53.55	50.83	55.78	41.76
8/30/2003	30.50	59.04	59.62	59.09	44.81

Source: Russian Institute for Agricultural Studies (IKAR)

Data in rubles per kilogram

Some importers have urged the Government of Russia to remove MDM from the poultry quota and to drop the break-up of the poultry import quota by country. Other importers say dropping the MDM quota would simply result in more chicken leg quarters being imported into Russia.

Sources: USDA/FAS, news wires

## China: 18th year as Top Egg Producing Country in the World

China's shell egg production accounts for 46 percent of the total world production. Annual per capita egg consumption in China is 17.9 kilograms, about 325 eggs. During 2002 farmers increased production due to lower feed prices and better egg prices. However, in 2003 increased production and the sudden outbreak of SARS pushed egg prices considerably down. In China 90 percent of chicken eggs are consumed as in-shell eggs and 90 percent duck eggs are consumed as preserved eggs.

China's egg import situation remains constant. Shell chicken egg exports are still dominant. Egg exports were up 30 percent in the first two quarters of 2003 compared to 2002, and totaled 607,413 MT, equivalent to 920,322,727 dozens. Hong Kong and Macau are China's main export markets due to the close proximity. Egg exports are expected increase 6 percent in 2003.

Source: USDA/FAS

### Japan: Frozen Egg Products, Imports in metric tons

	Frozen Whole Eggs	Frozen Yolks	Frozen Albumen	Total
2002				
April	221.1	1,379.6	54.4	1,655.1
May	262.8	1,366.7	0.0	1,629.5
June	247.8	901.4	18.1	1,167.3
YTD	1,431.1	5,331.4	320.1	7,082.6
2003				
April	231.7	960.7	-	1,192.4
May	186.3	925.0	-	1,111.3
June	208.0	871.7	-	1,079.7
YTD	1,321.9	5,742.5	46.4	7,110.8

Source: ALIC

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**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

	Week Ending September 20, 2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	359	553	12,254	14,484
Frozen	0	0	96	21
Dried	0	40	396	674
Total	359	593	12,746	15,179

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

	Week Ending September 20, 2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	76	173	4,451	4,932
Frozen	188	197	2,654	2,716
Dried	0	98	944	3,929
Total	264	468	8,049	11,577

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

	Week Ending September 20, 2003		Year-To-Date	
	2003	2002/1	2003	2002
Jumbo	32	17	322	1,274
Extra Large	1,140	1,870	21,357	27,810
Large	4,540	4,063	81,755	105,209
Medium	1,560	1,200	48,203	38,365
Ungraded	13,740	15,298	113,460	239,363
Misc	800	1,105	13,862	14,017
Total	21,812	23,553	278,959	426,038

Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

<b>CHICKEN</b>	26-SEP-2003			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
<b>CONTENT</b>				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

<b>CHICKEN, WITH SKIN ADDED</b>	26-SEP-2003			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
<b>CONTENT</b>				
15% OR LESS				
RANGE	16.00-16.50	-	80,000	40,000
WTD AVERAGE	16.25			
15-20%				
RANGE	18.00-21.50	11.00-16.50	2,096,000	1,567,200
WTD AVERAGE	20.08	14.19		
20% OR MORE				
RANGE	20.00	-	40,000	-
WTD AVERAGE	20.00			

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 20-Sep-03

(PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,153	1,418	2,571
LAST WEEK	1,121	1,597	2,718
SAME WEEK YR AGO	1,851	1,672	3,523
TO-DATE/2003	56,427	53,047	109,474
TO-DATE/2002	66,519	52,906	119,425

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	288	8	296
LAST WEEK	61	7	68
SAME WEEK YR AGO	267	0	267
TO-DATE/2003	8,919	137	9,056
TO-DATE/2002	11,820	250	12,070

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,441	1,426	2,867
LAST WEEK	1,182	1,604	2,786
SAME WEEK YR AGO	2,118	1,672	3,790
TO-DATE/2003	65,346	53,184	118,530
TO-DATE/2002	78,339	53,156	131,495

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET NEWS BR.

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

<b>CHICKEN</b>	26-SEP-2003			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
<b>CONTENT</b>				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

<b>CHICKEN, WITH SKIN ADDED</b>	26-SEP-2003			
	PRICES		VOLUME	
	(Cents per Pound)			
<b>FAT</b>	<b>FROZEN</b>	<b>FRESH</b>	<b>TOTAL</b>	<b>EXPORT</b>
<b>CONTENT</b>				
15% OR LESS				
RANGE	15.50-22.00	17.00	1,578,000	772,000
WTD AVERAGE	18.67	17.00		
15-20%				
RANGE	14.00-30.00	11.00-17.00	2,567,000	960,000
WTD AVERAGE	25.89	12.81		
20% OR MORE				
RANGE	-	11.00	41,000	-
WTD AVERAGE		11.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 26 SEPTEMBER 2003.

The undertone was steady to barely steady on fresh tom breast meat, at least steady on fresh destrapped tenderloins and fresh white meat trims fully steady. The undertone on frozen white meat was at least steady on tom breast meat and destrapped tenderloins, steady to fully steady on the balance of white meat items. Trade sentiment was steady to firm on toms drums and thigh meat with export interest continuing to be noted at the higher trending market levels. The trade sentiment on tom wings was steady to instances firm, tom necks at least steady and fully steady to firm on mechanically separated turkey. Trading centered on fair volumes of dark meat items for export, balance light. Fresh wing meat traded at 52 cents delivered domestic and frozen tom breast meat 117 cents delivered export.

**FRIDAY, SEPTEMBER 26, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	42.00-45.00		42.86	280	41.59	984
WINGS FULL-CUT - TOMS		R	30.15	92	30.15	92
WINGS, V-TYPE, TOM						
TAILS		W	23.25	120	23.25	120
MECHANICALLY SEPARATED 2/	33.50		33.50	40	29.90	200
THIGH MEAT - FROZEN	93.00		93.00	240	92.78	1,200

**THURSDAY, SEPTEMBER 25, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
DRUMSTICKS, TOMS	40.00-42.00		40.94	424		
WINGS FULL-CUT - TOMS	29.50-31.00		30.15	92		
WINGS, V-TYPE, TOM						
TAILS		W	23.25	120		
MECHANICALLY SEPARATED 2/	33.00		33.00	40		
THIGH MEAT - FROZEN	93.00		93.00	240		

**WEDNESDAY, SEPTEMBER 24, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
DRUMSTICKS, TOMS	40.00-43.00		41.67	120		
WINGS FULL-CUT - TOMS		F	28.00	224		
WINGS, V-TYPE, TOM						
TAILS	23.25		23.25	120		
MECHANICALLY SEPARATED 2/	26.00		26.00	80		
THIGH MEAT - FROZEN	92.50-93.00		92.64	720		

**TUESDAY, SEPTEMBER 23, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
DRUMSTICKS, TOMS		M	41.00	160		
WINGS FULL-CUT - TOMS		F	28.00	224		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/	31.00		31.00	40		
THIGH MEAT - FROZEN		R	93.00	280		

**MONDAY, SEPTEMBER 22, 2003****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)		
DRUMSTICKS, TOMS	40.00-42.00		41.00	160		
WINGS FULL-CUT - TOMS		F	28.00	224		
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/		F	24.00	40		
THIGH MEAT - FROZEN		R	93.00	280		

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.